



CITY OF DURHAM | NORTH CAROLINA

Date: November 18, 2014

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Subject: Amendment #1 to the Eno Economic Development District Water and Sewer System Project – Professional Engineering Services – CDM Smith, Inc.

Executive Summary

On January 22nd, 2013, the City Council authorized the City Manager to execute a Contract with CDM Smith, Inc to prepare a Master Plan to provide City of Durham water and sewer service to the Eno Economic Development District (Eno EDD). This contract is pursuant to an Interlocal Agreement with Orange County to extend City of Durham water and sewer service to the Eno EDD in Orange County. CDM Smith completed the Master Plan and based on the recommendations, Orange County requests CDM Smith to amend their contract to conduct additional analysis of a smaller service area.

The Interlocal Agreement between the City of Durham and Orange County requires construction to begin within three years of the original contract's signature date. Orange County has requested an extension of this date to accommodate the additional analysis and subsequent design described above.

Recommendation

The Department of Water Management recommends that the City Council:

1. Authorize the City Manager to execute a contract amendment with CDM Smith, Inc. for Professional Engineering Services in an amount not to exceed \$14,200.00 for the Economic Development District Water and Sewer System Project and
2. Authorize the City Manager to execute the amendment to the Interlocal Agreement between the City and Orange County attached as Exhibit A.

Background

The Eno EDD is a section of Orange County adjacent to I-85 and the Durham/Orange County line that is within the City of Durham's water and sewer service area. A map of this area has been attached to this memo for reference. No gravity sewer infrastructure currently exists in this area, and only limited water distribution infrastructure is available. Orange County and the City of Durham entered in to an Interlocal Agreement that provides reimbursement to the City of Durham from Orange County to extend sewer service to this area and enhance the existing water distribution system.

Previous phases of the project evaluated projected growth in the Eno EDD and developed a master plan for a utility infrastructure backbone to serve new customers. This master plan

also includes a cost estimate for the proposed utility infrastructure and a detailed analysis of potential connection points to the City of Durham's water and sewer systems.

The lowest cost alternative evaluated in the master plan exceeds Orange County's available budget for the proposed utility core infrastructure. Orange County requested that the City reduce the proposed service area and re-evaluate sizing and connection options; this request is attached to this memo as Attachment A – Orange County Request Letter.

To accommodate this additional evaluation and allow time for design and construction to begin, the Interlocal Agreement must also be extended. An additional two years should be sufficient to finalize the master plan, complete a design and advertise and award a construction contract.

Issues and Analysis

The original study area for the Master Plan covered the entire Eno Economic Development District in Orange County. Sewer flow projections were developed for this area, and the associated sewer infrastructure required to serve a flow of the projected magnitude exceeds Orange County's available budget for the work. By serving a smaller area, the associated sewer infrastructure will also be smaller and more likely within the County's available budget.

The scope originally reviewed and approved by Orange County only included one round of study. The additional study requested is outside the consultant's scope, and additional funding is required.

Alternatives

One alternate is to not pursue the amendments and accept the master plan as written. Under this scenario, a new Interlocal Agreement between the City and Orange County would be required, and Orange County would be required to seek additional funds for construction. Orange County has informed the City additional funding for this project is currently infeasible and the project would likely be terminated if this alternative is pursued.

A second alternate is to prepare the master plan in-house with current engineering and operations staff. Current staff lacks the availability to complete the evaluation and engineering report in a timely manner, and does not have the capability to prepare the detailed design drawings necessary to bid a project of this magnitude.

Financial Impact

Funding for the project was approved as part of the Capital Improvements Program under the Orange County Economic Development Zone Improvements Project. Funds have been set up in the following accounts:

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| 4100P007-731004-P2651 | \$14,200.00 |
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As per the interlocal agreement, Orange County will reimburse all costs associated with this contract.

SDBE Summary

This is a contract amendment and was not reviewed for compliance with the Ordinance to Promote Equal Opportunities in City Contracting.